

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1806 - SB 2252**

February 16, 2016

**SUMMARY OF BILL:** Exempts disabled persons who are 65 years of age or older from fees for issuance and renewal of disabled license plates and placards.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – \$152,300/General Fund  
\$1,349,100/Highway Fund  
\$71,300/Police Pay Supplement Fund  
\$71,300/TRUST Fund**

Assumptions relative to disabled license plates:

- Pursuant to Tenn. Code Ann. § 55-21-103(a), registration and license plates are provided free of charge to those disabled persons who are permanently and totally confined to a wheelchair. The proposed legislation would authorize disabled persons who are 65 years of age or older to obtain such license plates free of charge.
- The registration and renewal fee for a disabled license plate is \$21.50.
- According to the Department of Revenue, as of January 4, 2016, there were 175,179 drivers registered with a disabled license plate. This number does not include 3,288 license plates issued to disabled drivers confined to a wheelchair.
- According to the *2015 Disability Statistics Annual Report* (Durham, NH: University of New Hampshire), 40.70 percent of people with disabilities in the United States in 2014 were people 65 years of age or older.
- The number of disabled drivers, not confined to a wheelchair, 65 years of age or older is estimated to be 71,299 (175,179 x 40.70%).
- The recurring decrease in state revenue is estimated to be \$1,532,929 (71,299 x \$21.50).

Assumptions relative to permanent placards:

- Pursuant to Tenn. Code Ann. § 55-21-103(b), permanent placards are issued free of charge to drivers with a disabled license plate and those drivers that don't own a car and are confined to a wheelchair. In addition, relatives that reside with a disabled driver are allowed to receive a second placard for free.
- If a person does not qualify for a free permanent placard, the issuance fee is \$21.50 and the renewal fee is \$3.00. These placards are valid for two years.

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- According to the Department, there are currently 430,441 permanent placards considered as active in the vehicle registration system. The number of placards issued free of charge of this total amount is unknown.
- Assuming that all drivers with a disabled plate ( $175,179 + 3,288 = 178,467$ ) obtained a permanent placard free of charge, and that 30 percent of all permanent placards were issued to relatives of disabled drivers and those without a car but confined to a wheelchair ( $430,441 \times 30\% = 129,132$ ), the total number of permanent placards issued for a fee is estimated to be 122,842 ( $430,441 - 178,467 - 129,132$ ).
- The total number of permanent placards issued to disabled persons 65 years of age or older is estimated to be 49,997 ( $122,842 \times 40.70\%$ ).
- It is assumed that, under current law, these placards are subject to renewal fees of \$3.00 every two years, and that an additional two percent of permanent placards, or 1,000 ( $49,997 \times 2.00\%$ ), is issued each year for a fee of \$21.50.
- The recurring decrease in state revenue is estimated to be \$96,496 [ $(49,997 \times \$3.00 / 2 \text{ years}) + (1,000 \times \$21.50)$ ].

Assumptions relative to temporary placards and total impact of the bill:

- Pursuant to Tenn. Code Ann. § 55-21-103(b), temporary placards are issued, for a period not to exceed six months, to persons who are temporarily disabled by a non-ambulatory or semi-ambulatory condition, for a fee of \$10.00. Temporary placards may be reissued for a similar time period at the same cost.
- According to the Department, as of January 4, 2016, there were 4,832 active temporary placards in the vehicle registration system. The total annual number of temporary placards issued is estimated to be 9,664 ( $4,832 \times 2 \text{ six-month periods}$ ).
- According to the United States Census Bureau, 15.10 percent of the total Tennessee population in 2014 was comprised of people 65 years of age or older.
- The total number of temporary placards issued to persons 65 years of age or older is estimated to be 1,459 ( $9,664 \times 15.10\%$ ).
- The recurring decrease in state revenue is estimated to be \$14,590 ( $1,459 \times \$10.00$ ).
- The total recurring decrease in state revenue is estimated to be \$1,644,015 ( $\$1,532,929 + \$96,496 + \$14,590$ ).
- Of this amount, \$1,349,111 is estimated to be a decrease to the Highway Fund, \$152,306 is estimated to be a decrease to the General Fund, including amounts distributed to the Department of Revenue, \$71,299 is estimated to be a decrease to the Police Pay Supplement Fund, and \$71,299 is estimated to be a decrease to the TRUST Fund for operation, maintenance, modernization, improvement, enhancement, or replacement of the titling and registration system.
- According to the Department of Revenue, the proposed legislation will not result in a significant impact on local government revenue.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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